

IN THE CHANCERY COURT OF DESOTO COUNTY, MISSISSIPPI

GARY P. SNYDER, SUBSTITUTE TRUSTEE
FOR BANK OF MISSISSIPPI,

PLAINTIFF

V.

CAUSE NO. 98-8-1000

NELDA C. PANIGONI CHURCH, WILLIAM
THOMPSON, INDIVIDUALLY AND AS GENERAL
PARTNER OF THOMPSON & ASSOCIATES, A
GENERAL PARTNERSHIP, AND THOMPSON &
ASSOCIATES, A GENERAL PARTNERSHIP, SS

STATE HS. - DESOTO CO.
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DEFENDANTS

BK 1059 PG 489
W.E. DAVIS CH. CLK.

AGREED ORDER OF DISMISSAL WITH PREJUDICE

This matter came on before the Court on the motion, ore tenus, of the Plaintiff and Defendant, Nelda C. Panigoni Church, default judgment having previously been entered against Defendants, William Thompson, Individually and as General Partner of Thompson & Associates, A General Partnership, and Thompson & Associates, A General Partnership. The Court being well advised in the premises finds as follows, to with:

WHEREFORE, Plaintiff prays for the following relief, to wit:

1. Plaintiff, Gary P. Snyder, is an adult resident citizen of DeSoto County, Mississippi and is a licensed member of the Mississippi Bar Association. Plaintiff brings this action in his representative capacity as Substitute Trustee under that certain Deed of Trust recorded in Trust Deed Book 390 at Page 707 in the office of the Chancery Clerk of DeSoto County, Mississippi.

2. Defendant, Nelda C. Panigoni Church, is believed to be an adult resident citizen of DeSoto County, Mississippi, and is the owner of Lot 1, First Revision, Section "A", Haraway Gardens Subdivision, situated in Section 34, Township 1 South, Range 6 West, DeSoto County,

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W.E. DAVIS, CLERK

Dr. Graham

Mississippi, being more particularly described in Plat Book 24, Page 20-21 recorded in the Chancery Clerk's Office, DeSoto County, Mississippi, hereinafter referred to as "the property"..

3. William Thompson is an adult resident citizen of DeSoto County, Mississippi. Complaint is filed against Mr. Thompson individually and as a general partner of Thompson & Associates, which is believed to have formerly existed as a Mississippi general partnership.

4. Thompson & Associates is believed to have formerly existed as a Mississippi general partnership, which has now, upon knowledge and belief, been dissolved.

5. On, or about January 29, 1987 Thompson & Associates, a General Partnership, conveyed the property to Carl B. Muhs and wife, Rebecca A. Muhs. Mr. and Mrs. Muhs signed a purchase money promissory note in the amount of \$55,400.00 to Thompson & Associates. To secure repayment of the promissory note Mr. and Mrs. Muhs signed a Deed of Trust to James E. Woods, as Trustee for Thompson & Associates, a General Partnership. Said Deed of Trust is recorded in Trust Deed Book 390 at Page 707 in the amount of \$55,400.00, and is payable and due in 360 monthly installments of \$506.77 each, commencing on March 1, 1987. A copy of the Promissory Note is attached to the Complaint filed herein. A copy of the Deed of Trust is attached to the Complaint filed herein.

6. Thereafter, on January 30, 1987 Thompson & Associates, A General Partnership, assigned its interest in said Deed of Trust (Exhibit "B") to Bank of Mississippi, as security for repayment of its Promissory Note to Bank of Mississippi in the amount of \$48,000.00. After making payments on the original promissory note, Thompson & Associates subsequently signed a replacement promissory note in the amount of \$25,853.32. A copy of the subsequently signed Promissory Note from Thompson & Associates is attached to the Complaint filed herein. A copy of the Assignment of the Deed of Trust is attached to the Complaint filed herein.

7. Thereafter, through a series of transactions, the property was ultimately conveyed to Defendant, Nelda C. Panigoni Church subject to the Deed of Trust to Thompson & Associates (Exhibit "B").

8. Defendants Thompson and Thompson & Associates defaulted in the payment of the Promissory Note to Bank of Mississippi (Exhibit "C"). Bank of Mississippi, under its assignment of the Deed of Trust (Exhibit "D"), appointed Gary P. Snyder as Substitute Trustee of said Deed of Trust. The Appointment of Substitute Trustee is recorded in Trust Deed Book 996, Page 150 in the land records in the Office of the Chancery Clerk of DeSoto County, Mississippi. A copy of the Appointment of Substitute Trustee is attached to the Complaint filed herein.

9. Representatives of Bank of Mississippi directed Defendant Church to make her promissory note payments directly to Bank of Mississippi.

10. Defendant Thompson has filed an action in the U.S. Bankruptcy Court in the Northern District of Mississippi. Upon Motion of Bank of Mississippi the Bankruptcy Court has abandoned this and other property from the bankrupt estate. A copy of said Order is attached to the Complaint filed herein.

11. Defendants, Thompson and Thompson & Associates have signed other promissory notes to Bank of Mississippi, all of which are in default and all of which contain "dragnet" provisions, entitling Bank of Mississippi to recover any funds to which said Defendants may be entitled. The promissory notes are attached to the Complaint filed herein.

12. If Thompson & Associates still exists, the commencement of Defendant, Thompson's case in bankruptcy operated to dissolve the partnership, pursuant to the provisions of Section 79-12-61 (5) of the Mississippi Code (1972).

13. As a result of the amounts owed by Defendants Thompson and Thompson &

Associates, and by virtue of the dragnet provisions of the numerous promissory notes, Defendants Thompson and Thompson & Associates have no interest in the subject property or any proceeds of sale.

14. A hearing was held before this Court, during which proof was offered by the Plaintiff in support of his Motion For Entry Of Default Judgment And For Other Relief. After hearing evidence and reviewing supporting documentation attached to the Complaint the Court is of the opinion that the Bankruptcy Court has abandoned the subject property and relevant promissory notes attached to the Complaint from the bankrupt estate. The Court further finds that Bank of Mississippi is entitled to recover any funds heretofore owed by Defendant, Nelda C. Panigoni Church. Defendants Thompson and Thompson & Associates have no further right, title or interest in the subject property or any proceeds owed under that certain promissory note from Carl B. Muhs and wife, Rebecca A. Muhs in the amount of \$55,400.00 (Complaint Exhibit "A"), which is secured by Deed of Trust recorded in Trust Deed Book 390 at Page 707 in the land records of DeSoto County, Mississippi.

15. That Defendant, Church has now sold the subject property and delivered sufficient funds to the Plaintiff to pay off the principal and interest owed under that certain Promissory Note from Carl B. Muhs and Rebecca A. Muhs, which is secured by the Deed of Trust recorded in Trust Deed Book 390 at Page 707, and assigned to Bank of Mississippi. Accordingly, the Deed of Trust should be marked "Satisfied and Canceled".

IT IS HEREBY ORDERED AND ADJUDGED as follows, to wit:

A. The Court has previously entered a Default Judgment against Defendants, William Thompson, Individually and as General Partner of Thompson & Associates, A General Partnership, and Thompson & Associates, a General Partnership.

B. The above referenced cause be, and the same is hereby dismissed with prejudice as to Defendant, Nelda C. Panigoni Church.

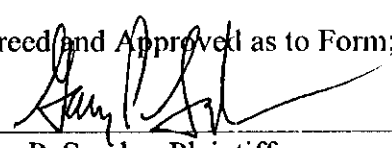
C. The Clerk of this Court be, and he is hereby ordered and directed to make the appropriate notation on the Deed of Trust recorded in Trust Deed Book 390 at Page 707 in the Land Records of DeSoto County, Mississippi, to indicate that same is "Satisfied and Canceled".

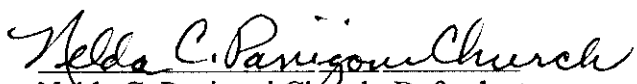
D. Any remaining costs are hereby assessed to the Plaintiff.

ORDERED this 18th day of November, 1998.


CHANCELLOR

Agreed and Approved as to Form;


Gary P. Snyder, Plaintiff


Nelda C. Panigoni Church, Defendant